

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 02 BRUSSELS 002983

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: [EAID](#) [EFIN](#) [HA](#) [EUN](#) [USEU](#) [BRUSSELS](#)

SUBJECT: A/S WAYNE MEETING WITH COMMISSION ON HAITI

REF: STATE 151861

Sensitive But Unclassified, entire text.

1. (SBU) Summary. In a meeting with EB Assistant Secretary Wayne, Commission Development Director Sipke Brouwer explained the Commission would pledge approximately 160 million Euros for Haiti over the next two years including up to 77 million Euros as non-project (more rapidly available) funds, with additional funds over the medium and longer term. Wayne suggested contributing election support through the OAS, and the Commission agreed to consider that path. Brouwer noted member states would be led by the French 26 million Euro contribution. End Summary.

2. (SBU) EB Assistant Secretary Wayne accompanied by Kerri DiZoglio EB/IFD, and emboffs, met at DG Development with Sipke Brouwer, Director of West and Central Africa, the Caribbean, and Overseas Country Territories (OCTs). Brouwer was joined by John Calighorou, Head of Unit for Caribbean and OCTs, Lut Fabert-Goossens, Administrator, Caribbean at DG Development to discuss funding for Haiti in light of the upcoming July 19-20 Haiti Donors' Conference.

3. (SBU) Wayne opened by explaining that the U.S. was concerned with the vast development and humanitarian needs in Haiti, including for short-term rehabilitation and operational needs, but was encouraged by progress made by the interim government thus far. Wayne said, and the Commission agreed, that donors should learn from mistakes of the past and stay constructively engaged for a longer period of time. Strong pledging at the Donors' Conference is an important step.

4. (SBU) Brouwer reported that the Commission has approximately 160 million Euros to pledge for Haiti over the next two years coming from 3 sources: (1) 27 million Euros in existing funds are authorized and fully usable from the Eighth European Development Fund (EDF) and approximately 50 million Euros from miscellaneous rehabilitation funds; (2) 72 million Euros of Ninth EDF Envelope A funds are subject to the Cotonou agreement with the GOH and therefore will be programmed through an agreed strategy and national indicative program. The funds under the Ninth EDF are conditioned on political progress and have been partially blocked. They will be unblocked when free and fair elections are held in Haiti. The unblocking process is at the Council level. These funds are usable for regular programs, under a strategy agreed to by GOH and the Commission after elections, once the situation is normalized; (3) 23 million in Ninth EDF Envelope B funds are not subject to the same programming procedure as Envelope A funds and can be applied to unexpected circumstances, humanitarian assistance and rehabilitation. The EU will provide these "bridge funds" if Haiti has the absorption capacity. Envelope B may be increased as a result of a reallocation of funds through an ongoing a midterm review at DG Development.

5. (SBU) Brouwer explained DG Development has earmarked 10 million Euros for elections, although the needs assessment stood at 30 million Euros. Wayne noted that the U.S. would contribute 13 million dollars for elections through the OAS. Brouwer agreed that the OAS had the experience and should take the lead on elections.

6. (SBU) A/S Wayne noted the apparent reservation of Member States to provide budgetary support, especially covering running expenses. He pointed out the broad definition used by the IMF, which includes emergency rehabilitation and operating expenses. Wayne said this could include support for education, such as by providing textbooks, and encouraged the Commission to urge member states to provide this kind of off-budget contribution, as well as providing EC funds. Wayne asked about additional contributions from member states. Brouwer said the French would lead with about 26 million Euros with lesser amounts from the others, including some from Germany.

7. (SBU) Wayne asked who from the Commission would attend the Donors Conference. Brouwer said Commissioner Borg (pronounced "borsh"), the new Commissioner from Malta twinned to DG Development, would lead the Commission delegation. John Calighorou, Head of Unit for Caribbean and OCTs, Lut Fabert-Goossens, Administrator, Caribbean and the head of the

EC Delegation in Port-au-Prince would also attend.

18. (SBU) Calighorou expressed concern over the absorption capacity of Haiti, citing that up to now it has been able to absorb 300-350 million Euros at best and the Donors' Conference anticipates raising nearly twice that much (550 million Euros per year, including IDB money). Wayne suggested that donors work with the IGOH and other donors to help build the government's capacity to absorb the additional aid and to assure good on the ground coordination mechanisms.

19. (SBU) On humanitarian assistance, Fabert-Goossens said that ECHO, the EU's humanitarian agency, would continue to provide approximately 7.7 million Euros in humanitarian assistance each year over the next two years and food aid would also continue.

10. (SBU) Comment: The Commission officials were committed but need to be pushed on timing for committing and planning for use of funds. In addition to pressing for funds to help meet the IMF identified operational needs, project funds will take time to plan and disburse, a process that we should begin before elections are completed.

McKINLEY